

Message Text

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PAGE 01 LIBREV 01762 281617Z

ACTION AF-10

INFO OCT-01 ISO-00 EB-08 /019 W
-----068576 291435Z /50

R 281127Z JUN 78
FM AMEMBASSY LIBREVILLE
TO USDOC WASHDC
INFO SECSTATE WASHDC 1252

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E.O. 11652: N/A
TAGS: BEXP, GB
SUBJECT: REVISED OBR: MARKETING IN GABON

REF: (A) USDOC 11274 (B) LIBREVILLE 0886

1. BEGIN UNCLASSIFIED. DRAFT OBR "MARKETING IN GABON" WAS RECEIVED
MARKED FOR POST INFORMATION ONLY. IN FUTURE, WE SUGGEST THAT IF
USDOC WISHES REPLY, IT SAY SO AND, IF NECESSARY, INCLUDE A DEADLINE
DATE. END UNCLASSIFIED.

2. BEGIN LIMITED OFFIEIAL USE. IN OUR VIEW, PRINCIPAL PROBLEM WITH
DRAFT OBR NOW IS THAT IN SEVERAL IMPORTANT RESPECTS, IT HAS BEEN
OVERTAKEN BY EVENTS. WHAT MAY HAVE BEEN ESSENTIALLY CORRECT WHEN IT WAS

DRAFTED, IS NOT THE CASE NOW. DRAFT, FOR EXAMPLE, MAKES BAREST NOD IN
DIRECTION OF GABON'S PRESENT FINANCIAL SITUATION, THEN PROCEEDS FOR
MOST PART TO IGNORE IT IN FAVOR OF BUSINESS AS USUAL. YET FINANCIAL
SITUATION IS HAVING AND WILL HAVE FOR SOME TIME TO COME, STRONG
IMPACT ON POSSIBILITIES OF DOING NEW BUSINESS IN GABON, PARTICULARLY
WITH
REFERENCE TO MAJOR INVESTMENT PROJECTS AND PROBABLY IN SALES AS
WELL. OUTLINES OF IMPACT OF IMF STABILIZATION PROGRAM APPROVED IN
LATE MAY ARE ONLY NOW BEGINNING BE PERCEIVED, BUT IT PROBABLY
NO LONGER CORRECT TO SPEAK OF SANTA CLARA MINERALS PORT OR GRAND
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OUNBARA DAM AS PROJECTS OFFERING POSSIBILITIES FOR AMERICAN BUSINESS
IN NEAR FUTURE SINCE BOTH PROJECTS MAY WELL BE NO LONGER UNDER
IMMEDIATE CONSIDERATION.

3. SITUATION IN BRIEF, IS IN FLUX AND ITS TRUEDIMENSIONS MAY NOT
BECOME CLEAR FOR SOME TIME. IN THESE CIRCUMSTANCES, WE STRONGLY
SUGGEST THAT USDOC POSTPONE PUBLICATION OF "MARKETING IN GABON" FOR

ANOTHER SIX MONTHS. AMERICAN COMPANIES ALREADY DOING OR ACTIVELY SEEKING BUSINESS HERE ARE QUITE WELL AWARE OF SITUATION AND WOULD FIND ROSEATE USG OUTLOOK FOR SHORT TERM AT LEAST TO BE UNREALISTIC. OTHER COMPANIES THAT MIGHT WISH TO DO BUSINESS SHOULD NOT FOR PRESENT BE LED TO THINK OF GABON IN OPTIMISTIC TERMS. THIS IS NOT TO SAY THAT AMERICAN COMPANIES SHOULD NOT BE LOOKING AT GABON BUT RATHER THAT THEY SHOULD DO SO REALISTICALLY. WE THINK THERE IS GOOD LIKELIHOOD THAT SITUATION WILL CHANGE AGAIN IN YEAR OR TWO WHEN IMF PROGRAM HAS TAKEN HOLD. IT WILL BE AWHILE, HOWEVER, BEFORE WE CAN SORT SITUATION OUT. IF USDOC PUBLICATION REQUIREMENTS ARE SUCH THAT "MARKETING IN GABON" MUST BE PUBLISHED NOW, WE SUGGEST THAT USDOC REDRAFT OBT AFTER CONSULTING IMF STABILIZATION PROGRAM PLUS ALLIED DOCUMENTS WHICH AVAILABLE

AT LEAST IN DEPARTMENT OF STATE, AND SUCH TELEGRAMS AS 77 LIBREVILLE C 1947, 2353, AND 2453; 78 LIBREVILLE 212, THEN RESUBMIT DRAFT TO EMBASSY FOR COMMENTS. END LIMITED OFFICIAL USE.

4. BEGIN UNCLASSIFIED: IN ADDITION TO ABOVE, WE OFFER FOLLOWING SPECIFIC COMMENTS ON DRAFT:

A. WE BELIEVE THAT TITLE PAGE SHOULD REFLECT THAT OBR BASED IN PART ON MATERIAL SUBMITTED BY US EMBASSY LIBREVILLE SINCE CONSIDERABLE PORTION OF DRAFT OBR TAKEN DIRECTLY FROM LIBREVILLE A-71 OF DECEMBER 1, 1977, ON THIRD NATIONAL DEVELOPMENT PLAN AND LIBREVILLE A-74 OF DECEMBER 22, 1977, GUIDE FOR BUSINESS VISITORS.
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WE WOULD POINT OUT THAT THIS PRACTICE HAS BEEN FOLLOWED IN OTHER CASES, SPECIFICALLY CURRENT OBR'S ON IVORY COAST, ZAIRE, SENEGAL, KENYA, SUDAN, TANZANIA AND ZAMBIA.

B. SUBSEQUENT PARAGRAPHS CORRECT FACTUAL ERRORS AND ARE KEYED TO PAGE NUMBERS OF DRAFT.

C. PAGE 7: CUSTOMARY FORM OF PRESIDENT BONGO'S NAME IS PRESIDENT EL HADJ OMAR BONGO.

D. PAGE 7: MUCH OF THIRD DEVELOPMENT PLAN IS NOT REPEAT NOT BEING CARRIED OUT, AND MANY DEVELOPMENT PROJECTS HAVE BEEN CURTAILED OR POSTPONED INDEFINITELY. FURTHER, SEPARATE DEVELOPMENT BUDGET IS NOT REPEAT NOT EXPECTED TO BE PUBLISHED AS A RESULT OF RESTRICTIONS IMPOSED BY IMF STABILIZATION PROGRAM.

E. PAGE 8: SOME REPEAT SOME OF EQUIPMENT FOR SOGACEL HAS BEEN PURCHASED. SEE LIBREVILLE A-25 OF JUNE 23, 1978, FOR CURRENT STATUS OF SOGACEL. BETHLEHEM STEEL HAS CEASED TESTING BELINGA IRON ORE AND HAS ONLY ONE EMPLOYEE BASED AT MINE FOR MAINTAINING CAMP. TELECOMMUNICATIONS TECHNICAL SALES SEMINAR WAS NOT REPEAT NOT HELD AS SCHEDULED.

F. PAGE 9: PENULTIMATE SENTENCE IS UNCLEAR.

G. PAGE 11: ACREAGE CURRENTLY UNDER CULTIVATION SATISFIED LESS THAN 10 PERCENT OF GABON'S FOOD REQUIREMENTS. WE ALSO RECOMMEND THAT HECTARE FIGURES BE CONVERTED TO EQUIVALENT IN ACRES OR, WHEN APPROPRIATE, SQUARE MILES, IN THIS CASE AS WELL AS THROUGHOUT OZR.

H. PAGE 13: ROLE OF SNBG SHOULD BE CLARIFIED. SNBG HAS MONOPOLY ON ALL SALES OF CUT TIMBER. LARGE TIMBER COMPANIES, HOWEVER, HAVE OPTION OF REPURCHASING FROM SNBG UP TO 65 PERCENT OF THEIR PRODUCTION AT PRICE SLIGHTLY HIGHER THAN THAT PAID BY SNBG. LARGER QUANTITY MAY ALSO BE REPURCHASED BUT AT STILL LIMITED OFFICIAL USE

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HIGHER PRICE. THIS REPURCHASED TIMBER MAY BE EXPORTED DIRECTLY BY TIMBER COMPANIES.

I. PAGE 14: AS SOGACEL IS NOT YET OPERATIONAL, IT SHOULD BE LISTED AS A POTENTIALLY LARGE TIMBER PRODUCER.

J. PAGE 15: CURRENT STATUS OF SOGACEL SHOULD BE CLARIFIED. SEE LIBREVILLE'S A-25. CONSORTIUM RESPONSIBLE FOR ENGINEERING AND PLANT DESIGN FOR SOGACEL IS TSP (TECHNIC; SETIMEG, AND JAKKO-POYRY).

K. PAGE 16: REFERENCE TO SNEA-GABON SHOULD BE DELETED.

L. PAGE 22C COMPLETION OF TRANSGABON RAILROAD IS NOT EXPECTED UNTIL MID 1980'S REPEAT 1980'S AT EARLIEST. PORT OF OWENDO IS NO LONGER EXTREMELY CONGESTED.

M. PAGE 28: REFERENCE TO AID LOAN FOR TRANSGABON ACCESS ROADS MUST BE DELETED.

N. PAGE 35: OUR BEST ESTIMATE IS THAT FROM 50 TO 60 PER CENT OF GABON'S INHABITANTS RESIDE IN URBAN AREAS. PORT GENTIL SHOULD BE IDENTIFIED AS QUOTE ECONOMIC/INDUSTRIAL CAPITAL UNQUOTE RATHER THAN AS QUOTE LEADING PORT UNQUOTE. OWENDO IS MORE ACCURATELY GABON'S LEADING COMMERCIAL PORT.

O. PAGE 37: THERE ARE NOW SEVEN COMMERCIAL BANKS IN GABON, MOST RECENT ADDITION BEING BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LTD. (BCCI). SEE LIBREVILLE'S 704.

P. PAGE 40: OFFICIAL GOVERNMENT STATISTICS ARE OFTEN DELAYED IN PUBLICATION. FOR EXAMPLE, MOST RECENT BULLETIN MENSUEL DE STATISTIQUE IS FOR PERIOD JUNE THROUGH SEPTEMBER 1976. NATIONAL YEARBOOK, ANNUAIRE NATIONAL DE LA REPUBLIQUE GABONAISE, LIMITED OFFICIAL USE

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IS PUBLISHED EVERY OTHER YEAR. GABON MATIN NO LONGER EXISTS.
L'UNION IS A DAILY NEWSPAPER AND HAS BEEN SUCH FOR SEVERAL YEARS.

Q. PAGE 41: GABON NOW HAS ONE FM RADIO STATION WHICH COMMENCED BROADCASTING DURING JULY 1977 OAU SUMMIT CONFERENCE. THERE ARE NOW TWO LOCAL TELEVISION CHANNELS WITH COMBINED PROGRAMMING OF APPROXIMATELY EIGHT HOURS PER DAY.

R. PAGE 46: IT SHOULD BE POINTED OUT THAT FULL RANGE OF OPIC SERVICES IS NOT AVAILABLE BECAUSE OF GABON'S MEMBERSHIP IN OPEC AND HIGH PER CAPITA INCOME. NAME BENIN SHOULD BE USED IN PLACE OF DAHOMEY.

S. PAGE 51: MORE EMPHASIS SHOULD BE PLACED ON STRICT CONTROL OF FOREIGNERS WORKING IN GABON THROUGH GRANTING OR DENYING WORK PERMITS.

T. PAGE 52: MORE REALISTIC ESTIMATE OF TRANSIT TIME FOR AIR MAIL LETTERS TO GABON IS FROM ONE TO THREE WEEKS, NOT REPEAT NOT FOUR TO EIGHT DAYS.

U. PAGE 53: PLEASE VERIFY ADDRESS OF GABONESE EMBASSY IN WASHINGTON OUR RECORDS INDIATE THAT IT IS LOCATED AT 2034 20TH STREET, N.W., WASHINGTON D.C. 20008. DELETE LAST SENTENCE OF ENTRY REQUIREMENTS

SECTION. EMBASSY HAS FOUND THAT BUSINESSMEN ARE ABLE TO SECURE THREE MONTH MULTIPLE ENTRY VISAS WITH LITTLE DIFFICULTY; IN SOME CASES SIX-MONTH MULTIPLE ENTRY VISAS ARE ISSUED.

V. PAGE 54: EMBASSY'S REGULARLY SCHEDULED WORKING HOURS HAVE BEEN REVISED. THEY ARE 0800 TO 1300 AND 1400 TO 1700 MONDAY THROUGH FRIDAY.

2. PAGE 55: LOCAL TIME IS GMT PLUS ONE HOUR; THIS IS NOT REPEAT NOT SAME TIME ZONE AS PARIS.

X. PAGE 56: PRICE OF GASOLINE IS NOW 118 CFA PER LITER.

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Y. PAGE 65: LAST SENTENCE SHOULD BE AMENDED TO READ THAT EMBASSY OFFICERS ARE AVAILABLE AND WILLING TO BRIEF AND ASSIST REPRESENTATIVES OF AMERICAN COMPANIES VISITING GABON.

5. PLEASE ADVISE SOONEST IF FURTHER INFORMATION REQUIRED.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 28 jun 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LIBREV01762
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780269-0409
Format: TEL
From: LIBREVILLE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780612/aaaaakjo.tel
Line Count: 225
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 68404f7e-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 LIBREVILLE 886
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2181630
Secure: OPEN
Status: NATIVE
Subject: REVISED OBR: MARKETING IN GABON
TAGS: BEXP, GB
To: COM
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/68404f7e-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014